



State of Louisiana
Louisiana Department of Health
Bureau of Health Services Financing

VIA E-MAIL ONLY

December 14, 2021

Mr. Jamie Schlottman
Louisiana Healthcare Connections
8585 Archives Avenue, 3rd Floor
Baton Rouge, LA 70809

RE: Response to the Appeal of the Notice of Action and Notice of Monetary Penalty for the Failure to Implement Pharmacy Diagnosis Codes as Directed by the Louisiana Department of Health

Dear Jamie:

By Notice of Action and Notice of Monetary Penalty dated November 12, 2021, Louisiana Healthcare Connections (LHCC) was notified it had failed to implement pharmacy Point of Sale (POS) diagnosis code edits as directed by the Louisiana Department of Health (LDH), which resulted in LHCC being out of compliance with the contract with LDH. LDH is in receipt of the appeal of the penalty portion of the Notice dated November 23, 2021, submitted by LHCC. LDH's response to LHCC's appeal is addressed below.

LHCC's Assertion A: Multiple Diagnosis Codes included in Claims Are Not Recognized by LDH's Encounter System – Four (4) Claims

“When submitting claims to LHCC, pharmacists may include multiple diagnosis codes (up to five) with each claim submission. LDH's current system only recognizes one diagnosis code per claim even though multiple codes may be included. We understand that LDH is currently updating its system to capture all codes submitted with each claim. Once your system is updated, we will resubmit these claims so that all diagnosis codes can be captured.

LDH's system captures the first code included on a claim but not subsequent included codes. This process resulted in LDH determining that the Vivitrol diagnosis code was not included in four (4) of the twenty-three (23) instances cited in the NOMP resulting in an imposition of a \$20,000 penalty. As demonstrated by the attached claim screenshots, the Vivitrol diagnosis code was correctly included in the submitted claims, the patient received medication and LHCC compensated the pharmacist as required. Please see Exhibit B.

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As a result, in these four cases, LHCC complied with its contractual requirements as the applicable diagnosis code was timely implemented, included on claims submitted and processed and received by LDH. Therefore, we request that LDH reduce the penalty amount included in the NOMP by the sum of \$20,000.00.”

LDH’s Response:

LDH agrees with assertion A. It should be noted that LDH has updated its encounter capture to include up to two diagnosis codes – not five. Therefore, diagnosis codes used to justify Vivitrol use in the future will need to be listed in one of the first two diagnosis code fields on the pharmacy encounter.

LHCC’s Assertion B: Emergency Override – One (1) Claim

“As demonstrated above, LHCC timely implemented the Vivitrol diagnosis code as instructed by LDH. However, in this particular instance, the pharmacist, at the POS and as authorized, used the emergency code override (#11112222333) to prescribe the medication. This process is approved by LDH. This resulted in LHCC’s member receiving the required medication and the pharmacist being compensated for his\her services. We have attached as Exhibit C evidence of LDH’s approval of emergency override for Vivitrol and LDH’s guidance on the subject. Furthermore, LDH\LHCC contract provision 6.3.7.3.1.2 also allows a pharmacist override in this circumstance. We request that LDH reduce the penalty amount included in the NOMP by the sum of \$5,000.00.”

LDH’s Response:

LDH agrees with assertion B.

LHCC’s Assertion C: Initially Rejected Claims Timely Reconsidered and Filled – Eighteen (18) Claims

“As it relates to the remaining eighteen (18) claims referenced in the NOMP, claims were rejected because the pharmacist used an incorrect code or the code was missing. Upon notice of the rejection, the pharmacist contacted LHCC’s PBM. After further discussions between the pharmacist and the PBM it was determined that Vivitrol would be provided to our member in each of the eighteen (18) cases. In conclusion, each member received the medication prescribed and each pharmacist\pharmacy was appropriately compensated. Finally, we respectfully request that the penalties (\$90,000.00) associated with these claims be rescinded.”

LDH’s Response:

For consideration of assertion C, LHCC shall provide documentation from its Pharmacy Help Desk evidencing its assertion by December 28, 2021.

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LHCC's Assertion D: Evidence of POS edit being in place to require correct diagnosis code.

"Exhibit D contains screen shots of the error message a pharmacist receives when submitting a Vivitrol claim without a required diagnosis code, demonstrating that LHCC's PBM has implemented the point of sale edit to require correct diagnosis code for Vivitrol."

LDH's Response:

LDH acknowledges assertion D.

In summary, LHCC listed several valid points in their appeal and LHCC provided some evidence that they implemented pharmacy diagnosis code requirements as required by LDH. Therefore, the Notice of Monetary Penalty for LHCC's failure to implement pharmacy diagnosis codes will be reduced by \$25,000. For assertion C, upon LHCC's submission of the documentation, LDH will review for possible reconsideration of that portion of the assessed monetary penalty.

Should you have any questions, please do not hesitate to contact me.

Sincerely,



Michael Boutte
Medicaid Deputy Director

SG/lj

cc: Teresa Bravo
Sue Fontenot
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Marisa Naquin
Kim Sullivan
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Christina Wilson
File: LHC2-44